



Tassal Group Limited

Annual General Meeting

4 November 2004

1

Chairman's Presentation

The Directors are pleased, but not satisfied, with the Company's result in its first 7.5 months of operations following the business acquisition from the Receiver.

We were able to begin to turn around the operations of two underperforming Salmon operations (Tassal and Nortas), integrate them under a consolidated structure and implement a plan to improve value.

The value creation came from improved fish management practices, growing and processing efficiencies and cost savings from economies of scale, and better utilisation of processing capacity.

Tassal has been pursuing a plan to:

- position the Company to be globally cost competitive in the growing and processing of Atlantic Salmon and Trout;
- position the Company to exploit current and new price premium niche fresh whole Salmon and fresh value added markets; and
- drive further industry rationalisation.

Overall, we are happy with the progress we have made but we recognise that there is more to do.



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2

We are firmly focussed on driving costs to world's best practice. There are many who historically have started from the position that this is not possible. We believe that it is over most of the value chain.

On the revenue side we are doing a lot of work finding new markets and in developing new products. Alliances and further industry rationalisation is required for a sustainable and profitable Salmon and Aquaculture industry in Australia.

An earnings per share was recorded at 13.95 cents per share. Pre SGARA & DOA earnings per share was recorded at 4.76 cents per share for the 7.5 months. The result is fine for a company coming out of Receivership, but significantly more is achievable as we drive further costs out and improve our revenue prospects.

The Directors were pleased with the level of support for the Company's DRP in its first year of operation, with a participation rate of 63% achieved. 1,156,681 shares were allotted pursuant to the DRP on 1st November 2004 at an issue price of \$0.8866. Tassal paid a final dividend of 2 cents per share on 1 November 2004.

Operations



-  ➤ Lower cost of growing ⇒ further improvements in fish management techniques and practices
-  ➤ Lower cost of processing ⇒ improved biomass and further automation
-  ➤ Globally cost competitive
-  ➤ Expand and grow domestic salmon users ⇒ TSGA marketing campaign
-  ➤ New profitable export markets ⇒ global consumption increasing
-  ➤ Maximise shareholder value

3

Chief Executive Officer's Presentation

Marine Operations

There were significant developments in our marine side of the business in FY2004. Our risk mitigation strategies were fully implemented during the period and we were able to achieve improved growth and survivability, together with improved feed conversion ratios. Further cost improvements are forecast for FY2005 and future financial periods.

Processing

We have rationalised our value added processing and now have the ability to generate improved economies of scale.

To further improve economies of scale for FY2005 and beyond, we have commenced automation projects in both Huonville and Dover which will have a total cost of \$4 million. These automation projects significantly reduce the cost - \$/kg - for both fresh fish and value added products. Huonville automation was completed by 31 October, with Dover automation to be completed by 30 April 2005.

Overall

Tassal must be globally cost competitive in the growing and processing of Atlantic Salmon and Trout. We have made some significant gains, however, there is more to do.

Tassal is well positioned to further reduce its costs of growing and processing. It will be assisted in this process by using global technology and automation, and improved working practices.

Both improved risk mitigation strategies and automation in our marine and processing environments will underpin our global competitiveness.

Marketing



- Industry marketing campaign ⇒ encouraging “new” and “light” users to eat Salmon as a quick, easy, healthy meal choice
- Increasing sales of value added products in the domestic market ⇒ fresh, high value added, convenient seafood products
- Consolidating partnerships with key retailers ⇒ retailers are well positioned for growth in the seafood market
- Export markets ⇒ agents appointed for Japan and Dubai markets with a platform in place for profitable sales
- Trout market ⇒ currently undersupplied. Additional fish put to sea
- Kingfish added to the product range to enforce the need of species diversification ⇒ important area as seafood consumption is increasing and customers and consumers appreciate choice.

4

Marketing

While Tassal remains firmly focussed on driving costs to world’s best practice, the real value for Tassal will be in finding further profitable markets in which to sell the additional fish biomass, both domestically and in export markets.

Tassal focuses on supplying the niche premium price sectors of both the domestic and export markets. To this end, Tassal is striving to strengthen its position in the value chain and to enhance its profitability by continuing its focus on fresh packed whole fish and value added products.

Outlook for FY2005



- Improved biomass from better fish management and growing practices
 - Operational performance can be further improved in the processing environment, with the improvement sustainable
 - Cost and efficiency focus to underpin increased shareholder value
 - Further work to do on marketing, brand architecture and product positioning
 - Significant focus on the sale of the additional biomass for premium prices
 - Strategic acquisition opportunities and strategic alliances will be actively pursued where presented
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